

Profits

Summer 1983
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Federal Business Development Bank

Loans
Equity Capital
CASE
Seminars
Courses
Clinics
Information

The Federal Budget and Small Business

Background

In acknowledgment of both the vulnerability of Small Business and its job-creating capacity, the Budget provides that the smaller firms receive special treatment in several measures, including the following:

1. Special Recovery Refundable Investment Tax Credit

Investment tax credits are used as an incentive to allow businesses to increase their investment in productive plant and equipment. Businesses that will not be in a profit position to fully use their credit to reduce their federal tax will now be able to take advantage of the fact that a portion of the investment tax credit earned over the next three years will be **refunded directly in cash**.

This temporary change will direct \$400 million to increasing business cash flow and reducing immediate investment costs over the three-year period.

The Budget makes special provision for small business corporations, farmers and other unincorporated businesses. These will be eligible to receive 40% of their investment tax credits on a refundable basis. This compares with only 20% for the larger corporations.

This measure will be of special help to start-up firms, which incur capital expenditures but are not profitable enough to make good use of the investment tax credits that they earn.

2. Loss Carryovers

The Budget contains a new measure to enable businesses to reduce tax in more favourable years by carrying over losses from other years. This is especially important now that so many firms have suffered from the severe economic recession of 1980-82.

Business losses formerly could be carried back one year and forward five years to reduce income subject to tax. The Budget now provides

that business losses can be carried back for three years and forward for seven years. The full three-year carryback will take effect immediately for small businesses. For large firms, the increased carryback will be phased in over two years.

The benefits of the increased loss carryovers will provide increased cash flow to businesses in the early phase of the recovery. Over the longer haul, these measures will provide increased certainty to firms that they can benefit from any tax losses they happen to sustain in less favourable periods. This is particularly important to firms incurring start-up losses and to firms in cyclical

industries.

The costs to the federal treasury of these improved loss carryover measures are \$305 million in the present fiscal year and \$225 million in the following year. This underlines their importance as tax measures.

3. Indexed Securities Investment Plan

The Budget sets out proposals for a new plan to exempt from tax the inflationary portion of capital gains on publicly-traded common shares in Canadian companies. It will go into effect October 1, 1983, following private sector consultations.

While not specifically designed to help the really small firms, it certainly will assist medium sized businesses by encouraging Canadians to invest more of their savings in common shares of Canadian companies. It will help tilt the balance away from debt issues towards equity issues.

4. Research and Development

There is a proposed investment tax credit rate for research and development of 35% for small business corporations, instead of the 20% rate for most corporations. This is not yet in force, but it is intended that detailed

(continued on page 3)

CREDIT

That necessary evil!

In business, it is very difficult to operate without credit.

At times, giving credit is a condition for the sale. Often, long term borrowing is necessary for expansion. Almost always, a line of credit at the bank is essential to day-to-day operations.

Aware of the ever present problem that credit is, **PROFITS** devotes pages 4 and 5 to two very down-to-earth features on the dual topic of:



1. *The credit I grant — When and how to give credit to customers;*



2. *The credit I apply for — How to prepare a bank credit application.*

CLIP AND FILE!

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Reaction to the Budget

The general reaction to the Budget by representatives of Small Business was highly positive. Spokesmen for small business organizations indicated that they felt that the federal government was finally listening and that most incentives contained in the Budget were in line with or identical to their own recommendations.

In the final analysis, the various organizations that represent Small Business had a common message for the government. This was that if the federal government's top priority was to fight unemployment, it should enact legislation to stimulate the small business sector. This is indeed the challenge that was accepted in the Budget.



The FBDB's New Mandate

Are there better ways of providing assistance to business? This is a question that the Federal Business Development Bank is constantly asking itself.

To ask the question is to be prepared to revise, if need be, the institution's mandate — the development of business — a mandate which is unquestionably an important one.

The speeches by the Minister of Finance (on the budget) and the Minister of State for Small Business and Tourism, both announced a new mandate for the FBDB. This new mandate has three main points:

1. Expansion of its investment banking services to fast growth businesses;
2. Assistance to businesses in the presentation of their proposals and the search for financing suited to their needs;
3. Tele-computerisation of information required by small business, including government aid programs.

These new concerns are in addition to the Bank's traditional role in the areas of financing, consultation, training and information.

Although their aim is to facilitate both the search for sources of capital and the preparation of loan proposals, the government and the Bank do not want to act as a substitute for the private sector, but rather insure that businesses could have access to all sources of financing offered by the private sector.

With a greater selection to choose from, business will be better served. With its increasing involvement in the financial community, the FBDB will need to maintain considerable flexibility and be able to adapt itself to developing trends. The FBDB has already begun to make this adjustment by setting the interest rate for term loans at only 1/2% to 1% higher than in the private sector, which it must complement rather than compete against.

The Bank must also play a development role, which requires that it invests in businesses with a high growth rate. Most of the time, it does so by supplementing the efforts of the private sector, often either investing together with the interested underwriters or simply refraining so as to leave room for them.

In future, FBDB's management services will be developed using the latest information available to orient their consultation programs and guide small business specialists in the implementation of these programs. The introduction of tele-informatics into the information services represents a new departure for management services.

Thus, with its new mandate, the Bank is pursuing a double objective: to serve as both a lever and a catalyst.

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The Productivity/Jobs Dilemma

As their productivity performances have been lagging behind those of other industrialized countries, Canada's goods-producing industries have been becoming less competitive in world markets. There is a general clamour, therefore, for these industries to improve their productivity performance. At the same time, with unemployment rates now in double digits, there is a clamour for more job creation by the private sector.

For the goods-producing industries, these two objectives are not compatible — in the short run both cannot be achieved.

Canada's Productivity Performance

The most common measure of productivity is technically known as "labour productivity". It is the amount of real output produced per unit of labour input (such as per employee or per hour of work).

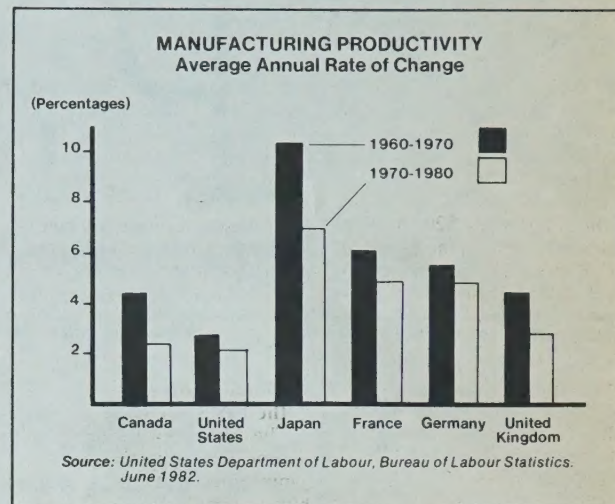
According to all reports, Canada's manufacturers have been lagging behind their major world competitors in productivity performance over the past twenty years. This is illustrated in the following table.

Japan leads the pack

Japan's productivity increased at an average annual rate of 10.5 percent in the sixties and at a rate of 7.1 percent in the seventies. By comparison Canadian manufacturers' productivity increased by only 2.5 percent annually in the seventies though this was slightly better than the U.S. performance. It is no wonder that Japanese manufacturers are increasing their share of the World and North American markets.

Canada losing the battle

Canada's productivity performance has been lagging for too long and if action is not taken soon, Canadian manufacturers will be driven even further out of their markets by the competition. This will lead to more demands for protectionist measures (to protect the Canadian market from foreign competitors). But protectionism is a short-sighted policy and in the end it leads to a decrease in the standard of living, as consumers have to



pay more for the protected goods.

Capital investment needed

Improvement in productivity should come from upgrading the efficiency of Canadian plants. This means that companies must invest in capital equipment that over the long haul will reduce production costs. New plant technologies, which are already being used abroad, should be introduced on a more widespread basis in Canada.

This, of course, is easier said than done as today there is excess capacity in the system and the double recession in the 1980-1982 period has eroded corporate profits. Nevertheless the long-range view of industrial performance requires investments today. Federal and provincial budgets have recognized this need and have introduced tax measures to stimulate these investments. It is now up to the private sector to respond.

The Impact on Jobs

To improve productivity, and hence competitiveness, new plant technologies/equipment must be adopted in Canadian plants. But new capital equipment inevitably leads to less need for workers. Therein lies the dilemma — in the short-run. A recent federal report stated that the application of new technologies could displace over one million jobs by 1991.

About one-quarter to one-half of all manufacturing jobs and one-quarter of jobs in business and financial services

could be lost due to new technology being introduced in the workplace. The report does go on to say, however, that Canada has no choice but to become part of the ongoing technological revolution. If it does not, the consequences could be much worse.

New technology in itself will create new jobs. These jobs, however, will require specialized skills. Furthermore, as the application of new technologies in plants begins to take hold, Canada's competitiveness should improve, leading to expansion of these plants and new jobs. Such expansion will create, in turn, additional jobs in other sectors of the economy through "ripple" or multiplier effects. However, these effects are longer term in nature.

Short-term pain for long-term gain?

The choice facing the Canadian economy is to invest massively in new technologies and capital equipment to improve its productivity performance or to "carry on business as usual".

The first option would have short-run costs in terms of job losses and restrained company profits — since such investments would in part be financed from retained earnings — but would ensure a better longer-term economic performance.

The second option would have less short-run costs but worse long-term implications. The old cliché still holds — what's needed is "short-term pain for long-term gain".

The Federal Budget and Small Business

Highlights

(continued from the front page)

draft legislation be provided as soon as possible after the conclusion of a consultative process.

5. Export Market Development

An additional \$20 million will be allocated to the Program for Export Market Development (PEMD) over the next four years to encourage small and medium sized businesses that have not previously had export sales to begin export marketing and to assist established exporters in expanding into new markets.

6. Federal Business Development Bank

There is a recognition that, as well as tax incentives, more direct measures are required to assist small businesses. To this effect, the operating mandate of the Federal Business Development Bank is being expanded to give it a broader role in supporting Canadian small businesses across the full range of their financial and management support needs.

Term lending activity will be extended to cover more non-metropolitan areas, the gap between FBDB lending rates and those charged by other commercial lenders is being narrowed and more loan options are now being provided.

A new investment banking

capability is being added to permit the FBDB to deal with the equity needs and other financial requirements of promising small companies. As well, the FBDB's business and information services will be extended and will include a computerized information system on all available government assistance programs for business.

7. Simplification of the Tax System

The Minister of Finance indicated that small business organizations had been urging him to simplify the tax system and thereby reduce the paper burden and compliance costs of taxpayers. He stressed that, in his recent Budget, he had deliberately avoided making complex changes wherever possible. Instead, he had concentrated on making existing tax incentives more effective, rather than introducing new ones.

However, because it is recognized that the existing tax system is anything but "simple", the Minister of Finance announced that the Canada Tax Foundation had accepted his proposal to hold a national symposium this summer on how to simplify the tax system.

Background

The April 19, 1983 Federal Budget was so involved with the needs and potential of Small Business that it may well have chosen as a key theme "Helping Small Business Help the Recovery of the Canadian Economy".

The Minister of Finance outlined the special role he reserved for Small Business in these words:

"I have been particularly concerned in preparing this budget with the financial difficulties that Canada's small businesses must overcome to contribute to national recovery. Small firms are one of the most dynamic and innovative elements in the private sector. The way in which so many have managed to pull through the recession is a tribute to the dedication and entrepreneurial spirit of Canadians."

Pre-budget consultation

In order to provide an understanding and appreciation of the specific measures taken at this time to assist Small Business, it is perhaps useful to point out that the Budget was prepared with the help of the most thorough-going pre-budget consultation that has been seen in Canada in many years. Not a single major interest group was missed in the canvassing of opinion. Small Business advocates certainly had their opportunity to advance the case for further supportive action for this sector.

The economic backdrop for this particular Budget was particularly sombre. The Canadian economy, as well as that of nearly all major industrialized countries, had just undergone the most severe economic recession in half a century. And while the Budget welcomed the fact that the recession had now bottomed out and that "economic recovery is under way in Canada", major problems remained.

The severe economic recession had left the Canadian economy with a great deal of unutilized capacity, both plant and human. In particular, unemployment rates had soared to double-digit levels with no real prospect of an early remedy.

The Budget, a watershed of sorts

Indeed, the Budget marked a watershed of sorts: The persistent problem of inflation and the record high interest rates which accompanied it were definitely on the wane, both in Canada and in other countries. Rising energy prices were no longer a major preoccupation of the policy makers. Food price increases had abated because of record farm production.

In addition, the burden of wage cost pressures had lessened significantly as the impact of government restraint

programs for the public sector reinforced the discipline of the marketplace for wages in the private sector.

With much lower rates of inflation had come a significant winding down of interest rates, which in turn was of major assistance to firms large and small and, in particular, provided an important stimulus to the ailing housing sector.

The need for new jobs

Thus, while the Federal Budget projected a relatively strong economic recovery in terms of growth in the next few years, it was much less optimistic on the ability of the economy to generate enough jobs to absorb the new entrants and reduce the existing level of joblessness. Indeed, in the short run, the ability of the economy to generate more output with relatively constant resources meant a worsening jobless picture even as the economy improved. In the medium term, there were problems with productivity and competitiveness which had to be addressed, and the official forecast suggested a high level of unemployment would persist. Accordingly, the Federal Budget highlighted the shift of the number one priority from inflation to the need to create jobs.

Permanent job creation rests with private sector

Significantly, the Budget underlined the fact that, while the public sector could assist in the very short run by creating temporary jobs, the main thrust for permanent job-creation would rest with the private sector. Indeed, there was a recognition of the fact that a Budget deficit in the order of \$31 billion for this year left relatively little scope for massive direct job creation measures.

In fact, a priority in the Federal Budget was to preserve the confidence of the investment and financial community

in the fiscal and monetary responsibility of the federal government by not making impossible demands on our credit markets and hence pushing up interest rates by massive government spending programs.

The Budget, a confidence builder

The major thrust in the recent Federal Budget was to reinforce newly emerging consumer and business confidence by creating a climate conducive to business development and expansion, with the government taking measures to "fill-in", at least temporarily, until the private sector expansion was fully underway.

The financial community responded most favourably to this pro-business Budget with the Canadian stock market recording the sharpest post-Budget advance in recent memory.

Small business, a job maker

With the focus turning to job creation needs as the most urgent priority, the potential of Small Business in assisting the Canadian recovery was explicitly recognized as perhaps never before. The existence of hundreds of thousands of independent small businesses in Canada meant that even adding a single job per firm would result in really significant employment creation.

The larger firms could not be looked to for direct assistance in employment creation as many of these were undergoing major structural problems, and direct government employment could not be envisaged in the absence of major new government social and economic programs which in any event were ruled out because of budgetary considerations.

Thus, the focus shifted as never before on taking measures to help smaller firms help the Canadian recovery.



The Honourable William Rompkey, Minister of State (Small Business and Tourism) and Guy Lavigueur, President, Federal Business Development Bank, at a press conference given by the Bank on its new mandate.

The Credit I Grant

When and How to Give Credit to Customers

HAROLD J. DAVIES is a CASE Counsellor to numerous small entrepreneurs in the B.C. & Yukon Region. In this role he encounters all types of businesses that have one problem in common: **CUSTOMER CREDIT**. Fortunately his expertise and experience make him the right man for the job. We have convinced Mr. Davies, who operates out of the Kelowna CASE Branch, that his region should share his guidance with the rest of the country.

PROFITS: *Mr. Davies, should small business bother with selling on credit?*

Davies: While you are not in business for the purpose of lending money to your customers, credit is very important as a merchandising tool. If properly managed, it is of real benefit to both your business and your customer, and sales volume increases immediately by permitting sales to be made now that otherwise could not be made at all. It may also increase demand for your merchandise and/or services.

If you do decide to manage your own accounts receivable, take into consideration their financing and the cost of the staff required for setting up the system, bookkeeping, billing, investigation and collections.

PROFITS: *You are talking about CUSTOMER credit as against CONSUMER credit, which is more handily and cheaply handled through the use of the national credit cards?*

Davies: Absolutely. Credit cards present no problem to the merchant other than the commission payable to the issuer. However, I will assume here that you have decided to institute your own credit department.

PROFITS: *Can a small entrepreneur really manage credit?*

Davies: It's a must. Like any other part of your business, if not properly managed, credit is one of the surest and fastest ways to bankruptcy. If your credit customers do not pay their accounts on time, it will not be long before you are unable to pay your accounts, thereby placing yourself in a great deal of financial trouble.

PROFITS: *How do you determine the proper credit level for a business?*

Davies: The ideal volume of credit will be that volume which maximizes the net income added to your business

from granting retail credit to customers. The added net income from the credit business depends upon the increased sales volume obtained by extending credit after deducting the added cost of giving your customers this credit.

PROFITS: *Don't you sometimes extend credit in self-defense?*

Davies: Obviously, the credit policy of your competitors will often affect yours. You must be able to determine this for your business in view of both the customer's response to credit and the cost of extending credit to your customers. If your competitors make all their retail sales on a cash basis, customers who need credit would be very responsive to credit offered by your business.

On the other hand, if your competitors are operating on very liberal credit terms, your business will probably lose more volume sales than would otherwise be the case if you refuse to extend credit beyond a limited amount.

You will become very conscious of the costs your business incurs by granting credit and you might, at times, feel that you could make more money by going on a strictly-cash basis. This is seldom the case.

PROFITS: *How can you tell a good risk from a bad one?*

Davies: Before you can proceed with a credit plan, you must know your customer. Some of the best sources for this information are your local credit bureau, bank managers, local businessmen or business groups. Many businesses today have their own credit applications which the customers complete and you thoroughly check before any credit is granted.

If these applications are properly worded and completed,

the information should be sufficient to determine whether or not credit should be granted. Because of the differences among customers, a uniform credit policy will not work.

They will usually fall into three distinct groups:

Group I — Those who have adequate capital and do not need credit except as a matter of convenience — Credit to these customers is not a service for which they are prepared to pay extra in terms of higher prices. The cost of extending credit to these customers is comparatively low; they normally pay their end-of-the-month statements promptly.



Group II — Those who are short of capital and need credit — To customers in this group, credit is of real service. You must give them enough credit to purchase the merchandise they need and enough time so that they will have the money to pay the bills when they are due.

Be cautious — you must be sure that the credit extended to these customers is limited to the amount they can use productively without experiencing hardships when payment is due. The right amount of credit granted with a suitable payment plan is a real service to these customers and also a profitable procedure for the business.



Group III — Those who are short of capital and are poor credit risks — Credit to customers in this group is certainly a disservice. It only allows them to get further into debt and makes their financial situation worse. Neither you nor your customers can afford to have credit granted to those who fall in this group.

PROFITS: *Should prices be the same, whether for cash or on credit?*

Davies: No. You will be perennially faced with the question of how to distribute the costs of extending credit among those who charge and those who pay by cash. Therefore, a clearly-defined policy must be established to fit the needs of your particular business.

You have two possible courses:

- make discounts to customers who pay cash;
- add interest to those who charge their purchases.

PROFITS: *How do you supervise Accounts Receivable?*

Davies: Very closely. Your accounts should be aged each month so that you will know the amount and for how long each account has been outstanding. The age brackets generally used are: 30 days and under; 30-60 days; 60-90 days; 90-120 days, and 120 days and over. Some businesses run this procedure out to a year; but past 120 days, the account is long overdue — this is no longer credit, this is financing!

All accounts must be watched to ensure that each customer follows the repayment plan agreed upon. In cases where your customer

cannot meet his agreed repayment plan you should talk to him personally and find out the reasons, as it may be prudent to discontinue further credit to him.

PROFITS: *How do you collect Accounts Receivable?*

Davies: Before you grant credit you and your customer must understand exactly when and how payment is to be made; otherwise, collection can be difficult. Being personal with the customer at the time you grant credit may be distasteful for you, but it could become much more so before the account is collected.

Follow these steps:

- Send Regular Monthly Statements —** at least one week before due date. Regular monthly statements to all your customers with unpaid accounts must be routine business policy. Many customers will wait until they receive the monthly notice before making payment.
- Reminder Notices —** In cases where your customer does not respond to the regular statement, you should send out a reminder notice, usually mailed. This notice should be rather firm in wording, stating that the account is now delinquent and that it should receive immediate attention. There should be no doubt left in the customer's mind that his account is past due.
- Personal Letters —** If your customer has not responded to your reminder notices, now is the time to send a personal letter. It must not be

The Credit I Apply For **How to Prepare A Bank Credit Application**

Know the rules. It's easy if you speak the language and know the rules of the game. Banks want to lend money — it's the main product they have to sell. Small businesses are beginning to be numbered among their best customers, but bankers must maintain lending standards and exercise some control over their loans.

You can make your banker's task easier and gain his respect by preparing a complete loan proposal. This is the language he understands. To improve your chances of obtaining a loan, be sure to emphasize how it will be used to increase the value of your business.

Contents of a loan proposal
Briefly your loan proposal should contain:

1. *Profiles of key managers*, with details of their education, work experience, skills, areas of expertise and accomplishments; you must particularly stress your own managerial ability.
2. *A description of the business* with details of your company, its products and markets, customers and competitors, inventory size and turnover rate, and aged listing of accounts receivable.
3. *Projections* based on your present market share and anticipated growth opportunities for the next year and the next three years. List alternatives and options available if things do not work out as planned.
4. *Financial statements* for the past three years and projections for the next three years. A personal statement of your own net worth is also required.
5. *Purpose of loan*. It is most important to state precisely how the loan will be used.
6. *Amount of loan*. This should

be supported by carefully planned estimates.

7. *A projected cash flow statement* that shows clearly the company's capacity to meet interest expenses and to repay principal from profits and/or from liquidation of inventory or other assets. If this seems difficult, your accountant and/or banker can help you, provided that you have the necessary financial information.

Failure to provide adequate financial data will decrease your chances of obtaining a loan. But failure to disclose information that you fear will adversely affect your application will reduce them much more drastically. Be open and direct — a good relationship is based on trust. If business problems are eating away your profits, your banker may even have some sound advice to offer.

Loans can be divided into two general categories: operating loans and term loans.

Operating loan (demand loan)

Funds for general operating purposes are usually advanced at a variable interest rate, subject to annual review. This kind of loan is useful for

normal financing requirements of a recurrent or temporary nature.

For example, a retailer of air conditioning units would need to build up inventory for his busy summer season. An operating loan (demand loan) would more than likely be used to finance this seasonal need.

Such a loan will be repaid as the invoices are paid and the accounts receivable are reduced to a normal level.

An operating loan (demand loan) is usually secured. Other characteristics include:

- the interest rate at time of signing may be lower than for a term loan;
- the interest rate may fluctuate;
- repayment of the loan can be demanded at any time by the lender; this usually only occurs when the account does not perform satisfactorily or in the case of serious deterioration in the affairs of the business.

Term loan

Money is borrowed for a term extending from one up to fifteen years. A term loan is usually amortized, i.e., the



regular loan payments include principal and interest and are for a fixed aggregate amount over the life, or term, of the loan agreement.

Take, for example, an entrepreneur who borrows \$10,000 to install a new heating system in his/her factory. In such a case, the entrepreneur and the lender will discuss the loan and agree to certain conditions. These conditions will include the amount of interest and how the loan will be repaid, which in this case may be for x years at y% over prime with monthly payments of \$z.

Term loans are commonly used to provide funds for the purchase of an existing business, to help establish new ones, to help finance major expansions or capital expenditures, and to provide additional working capital for a growing business.

While the majority of term loans are secured by collateral such as fixed assets, the lender places great importance upon the ability of the borrower to repay the debt out of the business' earnings, over the life of the loan.

The main characteristics of a term loan are as follows:

- it is usually secured by fixed assets;
- the interest rate at time of signing is slightly higher than for a demand loan;
- payments, principal plus interest, stay the same;
- the repayment period of the loan is specified and agreed upon.

unkind or nasty but should be very pointed and demanding.

Review the facts of the situation and the history of the account, also the understanding about the repayment plan made by both you and this customer. You should mention that a specific credit program was worked out to suit him fairly and that you expect the same kind of fair treatment in return.

4. Personal Collection Visits

— If you have failed to receive response from the per-

sonal collection letter, your next step is to make a personal visit to your customer's home or office.

Your best approach is to directly state the reason you are calling on your customer and find out why this account is not paid. You may have to change the repayment plan to suit his present financial position; however, the reason you are visiting this customer is to collect the account or finalize arrangements that you are sure the customer can meet.

5. Notice of Legal Proceedings

— If you find, after your collection visit, that your customer is not fulfilling the negotiated arrangements, the next step is a notice from your attorney that collection procedures will take place on a given date if the account is not paid. This should be a very short and formal letter — concise and direct. You must be prepared to proceed to carry out your collection.

6. Taking Legal Proceedings

— Oddly enough most of the customers who have been sued for collection continue to patronize your business.

Often, after this experience, they turn out to be among the best and most prompt credit customers of your business.

PROFITS: Aren't Receivables a drag on your operations?

Davies: Accounts Receivable may be financed by the same methods used to finance your other assets. The two most common methods used are: making satisfactory arrangements with your bank, and/or making financial arrangements with your principal suppliers. Both of these methods, either

separately or combined, work very successfully.

There are times when you can use the local banks to help finance credit needed by your customer in another way. By working with the banker and the customer, you can sometimes work out a plan for the bank to extend credit to your customer so that he can purchase the merchandise required.

PROFITS: Many thanks, Mr. Davies.

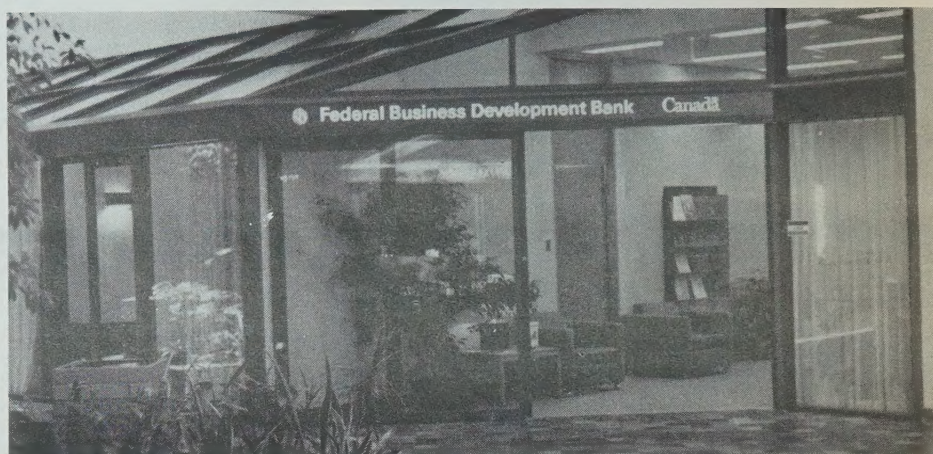
FBDB's New Business Development Centre

A new Small Business Development Centre under the management of **John E. McNulty** has been opened by the Bank in Mississauga, Ontario, at 33 City Centre Drive, Suite 145, in the Square One Business Complex. This new Centre is designed to better serve the business communities of Etobicoke, Brampton, Mississauga and Oakville.

In addition to merging the Bank's Etobicoke and Oakville Branches, the Centre will make all of the Bank's services, including some important new ones, more readily available.

vices including medium and long term loans, loan guarantees, equity participation, direction to federal and provincial government assistance and seminars. Counselling by CASE (Counselling Assistance to Small Enterprises) counselors is also available through the Mississauga CASE office which is under the direction of **Leonard Prior**, Co-ordinator.

The Bank's Financial Planning Program and "Do-It-Yourself" packages are currently available in selected branches across Canada.



FBDB

Project Development Team

The Centre's staff will include four Project Development Managers, who are available to work with businesses in developing and formulating financing packages. The Bank's Project Development Team will undertake an analysis of a client's existing or proposed business in conjunction with its financial and legal advisors.

On the basis of this analysis, a report will be prepared, which can be utilized by financial institutions to assess the client's funding requirements. If requested, the Project Development Team will act as an intermediary in negotiating funding on behalf of clients. Fees are based on time and effort required to complete the report.

FBDB

Business Planning Packages

Business Planning Packages in a "Do-It-Yourself" format are available at the Centre at a cost of \$10 each and encompass the following topics:

- Arranging Financing
- Forecasting and Cash Flow Budgeting
- Evaluating the Purchase of a Small Business
- Credit and Collection Tips.

These kits are designed to be readily used by the small to medium sized business.

FBDB

Standard Services

The staff of the Business Development Centre will make available all of the Bank's ser-

**BUSINESS
NEEDS A BOOST?
CAPITALIZE ON OUR
NEW & EXPANDED
CAPABILITIES.**

The Federal Business Development Bank has been providing business with expert advice and financial backing for years. Now we can do more. Our major services are being expanded to help your business grow.

Our term lending services

As a supplemental lender we can often provide financing for a project when others can't. We offer medium and long term loans. We have broadened our term lending options and offer loans with floating or fixed interest rates... be it for one, two, three, four or even five years. Our floating rate loans can be switched to fixed terms on request.

Our investment banking

We have expanded this service to make investment financing more accessible to promising small and medium-sized business

by seeking and encouraging investment capital from the private sector. By backing business as a minority shareholder we can provide the financial boost needed.

Our investment banking functions include: underwriting, syndication, packaging, intermediation and equity investments.

Our management services

Our business management seminars, clinics, owner/manager courses and counselling services have helped small businesses all across Canada improve their operation and achieve a higher level of profits. We are prepared to make these services more specialized by working with specific industry groups.

Our services also provide information on government assistance programs available to businesses. This information and data on various sectors of the economy will soon be computerized for easier and quicker access.



**Federal Business
Development Bank**

**Banque fédérale
de développement**

Canada

Data Processing And Small Businesses

No. 7: Telecommunications and Telidon

Since the first article in this series appeared in January 1982, data processing has spread, in the home and among Small and Medium sized Businesses (SMBs) at a phenomenal rate. Today, one would be hard pressed to meet a group of businessmen or professionals whether it be over a game of golf, lunch, or at a party, that did not include at least one home computer owner.

Also, most managers of large companies are now using directly or indirectly either a terminal linked to a main frame, or a micro-computer or a word processor.

The movement toward data processing that was perceived in SMBs eighteen months ago has now reached the point where there is no longer any question as to whether a business should computerize, but when and how.

Telecommunications

One of the key elements involved in automating SMBs that have several locations is usually the need to relay information between different points, for example, from branch offices to headquarters. This, of course, takes us into the area of telecommunications, which is a whole complex world in itself. We will limit our discussion here to a few basic ideas and definitions.

Micro-Computers

Micro-computers are generally single-screen units that are designed only for non-interactive, more or less one-way communication. Transmissions are generally sent through an ordinary telephone, a telephone line and a small piece of equipment known as a MODEM (which stands for modulator/demodulator).

Word processors are usually connected in the same fashion, enabling the user to send or receive texts and figures. After the information has been received the computer handles it as if it had been input locally.

Mini-computers

Through mini-computers, it is possible to use several screens simultaneously and, in the case of more powerful machines, to operate several application systems at the same time. Thus, two terminals may be used for accounts receivable while a third operator works on

inventories.

Mini-computers are obviously best suited to interactive telecommunication, since each terminal can be placed in a different location. If all terminals are located in the same building, it is likely they will simply be linked to the central computer by a coaxial cable. Where greater distances are involved, communications will be channelled through public carrier lines.

The simplest means of outside telecommunication is through conventional local or long-distance telephone networks. The procedure and cost are exactly the same. Major Canadian telecommunications companies also offer other types of services, such as the DATAROUTE network and DATAPAC system available through Bell Canada.

DATAROUTE and DATAPAC

The DATAROUTE network is entirely committed to computer transmissions, and the customer pays a fixed monthly rate that is proportionate to the number of terminals involved, the transmission speed of the network and the distances involved.

The DATAPAC system is more sophisticated, consisting of a computerized system in which each data "packet" of 256 characters bears a sequence code and the "To" address. This packet may be sent to the addressee separately from the rest of the document of which it forms part.

The DATAPAC system clearly allows greater flexibility in the choice of transmission paths. Also, the customer is billed mainly according to the number of actual transmissions, the number of characters and the distances involved. Thus, fixed charges for DATAPAC are minimal and the variable costs of the system are often more affordable than those of other systems.

Making a choice

Any SMB that is considering automating would be well advised to take a good look at its present and future needs in terms of the number of screens to be operated at one time, multiple programming for several simultaneous applications and telecommunications. These elements may well become key factors in choosing a computer system.

Companies that are larger or more advanced in the computer field are faced with similar questions when trying to integrate conventional terminals, word processors and micro-computers into a single, compatible network.

* * * * *

TELIDON

Our all too brief description of telecommunications technology would not be complete without some mention of the TELIDON project.

TELIDON is the name of a telecommunications protocol for graphic data developed by Canadian government technicians and adopted more or less as a standard system in North America. It is the most technologically advanced VIDEOTEX system in the world.

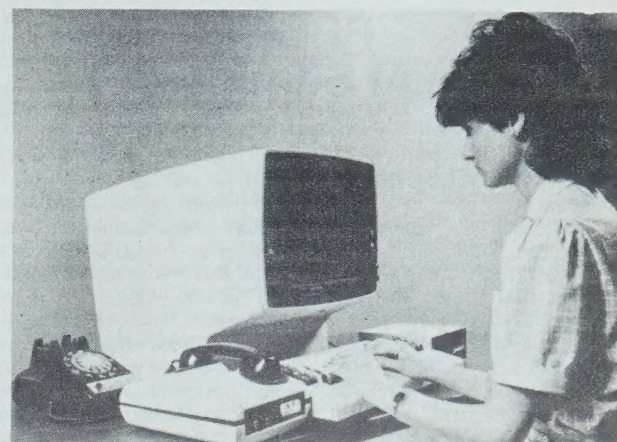
VIDEOTEX

The advent of VIDEOTEX has led to the establishment of a very large data base which can be accessed by means of telecommunications through special terminals that may be installed anywhere in Canada. Users can access a wide range of information in the form of text and graphics on a modified colour television using a keyboard resembling that of a pocket calculator.

NOVATEX

PROFITS interviewed David Johansen and Tony Zeitoun of Teleglobe Canada to discuss NOVATEX, a TELIDON-based service for businessmen distributed by Teleglobe.

The NOVATEX data base will eventually contain three distinct categories of information. The first will consist of general data accessible



to everyone, such as information on government programs or financial news (DATATEX service).

Next there will be more specialized financial information provided, for example, by stockbrokers or the country's major stock exchanges.

Finally, companies (especially large firms) will be able to reserve certain sections of the system for their own information storage and distribution requirements. According to Johansen, several companies have already recognized the potential of the NOVATEX system in the area of personnel training.

Zeitoun and Johansen concede that their system is only in the initial stages at the moment. No group of applications specifically designed for SMBs has been identified as yet.

However, Statistics Canada data on Canadian markets are already available; and Tele-

globe may be able to promote various manufactured products through local or even international advertising, a possibility that should be of interest to exporters. At present, NOVATEX provides businessmen with information they can find in their daily newspapers.

Of marginal interest to SMBs

For the time being, the information services spawned by TELIDON technology are of only marginal interest to SMBs. But there is considerable potential for development in the coming years.

* * * * *

This article completes our overview of the world of data processing as it affects SMBs. In upcoming issues, another writer will be taking a closer, more detailed look at the major factors and decisions to be faced by SMB owners and managers in the field of information processing.

FBDB Management Training Seminars

New! Bookkeeping made easy!

A new, improved version of our Bookkeeping seminar is now available. The seminar is more practical, more dynamic and has been designed to demystify bookkeeping.

Using accounting data/info, you will learn how to register initial journal entries, post them in the ledger, and draw up a trial balance for the prepa-

ration of financial statements. You will also learn how to prepare a bank reconciliation.

All in all, a packed agenda! The seminar includes a booklet for use in your own business. And don't forget our free after-seminar service.

If you would like further information on our seminar program, please contact the Management Services Officer at the FBDB branch nearest you.

FBDB Joint Seminars

Enquiries are still coming about our Joint Seminar program.

Developed in cooperation with the *Canadian Export Association*, our Joint Seminar "Exporting Your Product" has been tested, early May in Burlington (Ontario). Eighteen Canadian manufacturers, some of them already exporters, have attended this seminar. Their comments and suggestions will help us finalize the product and we hope to offer this seminar during Summer 1983.

Another seminar developed in cooperation with *Employment and Immigration Canada*: "Human Resource Planning" is under development and should be available during Summer 1983.

The seminar "Advertising and Promotion Planning" for Electrical Contractors, which was developed at the request of

the *Ontario Electrical League* is now available.

Another Joint Seminar: "Time Management" has been offered to the members of the *British Columbia Pharmacists' Society*.

Board of Directors in cooperation with the *Institute of Corporate Directors in Canada* has been presented in London (Ontario). Other sessions are scheduled.

For more information on the Joint Seminar program, contact the Management Services Officer at the nearest branch office or:

The Manager,
Program development
Joint Seminars,
Management Services
Federal Business Development Bank
360 St. Jacques Street
Suite 1600
Montréal, Québec
H2Y 1P5



Management and Productivity

A special feature by
Douglas
Lajeunesse



In a similar manner, when businesses face more expensive costs of financing they need to question their old ways of doing things. The owner-manager must carefully reexamine and analyse all his expenses and insure that he gets a good return on every dollar spent.

Controls, controls, controls

To survive, good planning and control are mandatory. It is not sufficient to have annual financial reports. Operating budgets on a monthly basis for planning, and monthly financial statements for control are a must. Certain controls should be done more frequently — weekly or even daily.

Profit, the result of efficient management

The owner/manager should revise his management concepts. Profits are the life blood of any business, and the primary source of funds required for survival. Often

owners associate sales and profits, the idea being that an increase in sales will necessarily mean an increase in profit or cashflow. Profit is the result of efficient management of the business and not necessarily of a large volume of sales. Productivity is a key to success.

Productivity = profits

It is commonly acknowledged that the productivity of Canadian business is too low. An increase in the productivity of a small business will increase its profit capacity and at the same time reduce the financing burden. It should be emphasized that profit constitutes a

primary source of financing for most small businesses.

The real factors of productivity

Sound business management leads to improved productivity. A study by the American Management Association, which involved 3 400 businessmen in the United States, revealed that different aspects of management affected the productivity of business organizations. The factors were rated, by respondents, as very important in the following order:

Better planning (66%), more efficient management (65%),

improving work methods (49%), improving communications (48%), more emphasis on results (45%), better employee training (45%), more management attention to productivity (39%), better human relations (36%), improving technology (35%).

The results of this study clearly indicate that the improvement of different aspects of management, such as planning, work methods, communications and human relations, is more likely to influence the productivity of an organization than the improvement of technology.

WHAT'S NEW IN OWNER/MANAGER TRAINING

The Federal Business Development Bank is a leader and the most active organization in Canada in the field of management training for small business. Over 30,000 people participate in our half-day and full-day seminars annually. In addition, some 25,000 people attend courses developed and published by the FBDB which are given through local community colleges across Canada.

Through a marketing arrangement, the FBDB is now pleased to present an additional management training aid, a Home Study Course, developed by SB Capital and RoyNat.

The Successful Business Management course has been carefully designed for easy, practical reading and for ready reference and immediate application to an owner's day-to-day

situation. So far, close to 12,000 owners and managers have enrolled in the program.

The course consists of 26 modules and covers virtually every aspect of running a business, including "Sources of Capital," "Cash Flow Budgeting," "Personnel Planning and Training," "Purchasing and Inventory Practices," "Production Planning and Control," etc.

Help yourself to this unique business tool. Complete the order form below and return it with your \$10 registration fee to cover the first two modules of this program to:

Successful Business Management
Dept. F
99 Doncaster Avenue
Thornhill, Ontario
L3T 1L6

Yes, please send me the first 2 sessions of the program. I understand that I have 14 days to decide whether the program suits my needs. If I am not completely satisfied with these first sessions, I can return them for a full refund. Otherwise, I will be sent 24 more sessions in groups of two at two week intervals, and will be billed or charged on my credit card at the rate of \$15 per session. I may cancel the course at any time and pay only for the materials shipped to date.

☐ Enclosed is a cheque for \$10 payable to Successful Business Management.

☐ Charge my credit card

☐ MasterCard ☐ Visa ☐ American Express

Account No: _____

Signature: _____

Expiry Date: _____

☐ I would like to purchase the full 26 sessions program at one time so that I may receive the \$66 special discount. Enclosed is my \$304 payment.

Mr./Ms./Mrs./Miss _____ First Name _____ Last Name _____

Address _____

City _____ Province _____

Postal Code _____ Telephone No. _____

Owner/managers of small businesses have at their disposal many different means to improve the profitability of their businesses, all of which are part of sound management.

Learn to adjust as quickly as the consumer

The oil crisis and the subsequent scarcity of derivative products resulted in significant price increases to many consumer products. Consumers moved rapidly to change their behaviour. The sale of small cars increased, public transportation made more sense, travelling was better planned to minimize costs.

SMALL BUSINESS NEWS

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SUMMER 1983

Franchising as a small business option

Today, there are over 25 000 small businesses in Canada that are franchises. The owners of these franchises — the franchisees — have entered a partnership with the franchisor that gives them the right to sell a particular product or service within a specified territory. There are approximately 1 000 franchisors operating in Canada and almost two-thirds of them are Canadian owned.

Association of Canadian Franchisors

You don't have to be a large corporation before you can sell franchises and you don't have to be a wheeling-dealing entrepreneur before you can buy one. "Business owners decide to franchise their operations for a variety of reasons," says Howard Rose, executive director of the Association of Canadian Franchisors. "For many, it is an ideal form of business expansion without requiring a substantial increase in their investment. Basically the franchisees are paying for the setting up of the franchise while the franchisors are providing their expertise." Along with the expertise, the franchise package usually includes a proven product or service, rights to a corporate name and symbol, product research and service, management training, and group purchasing ability.

The franchise option

Even the professionally self-employed are now looking at franchising as a viable option for reducing the risk factor of setting up a new business. For example, the image of North American dentistry is quickly changing to include shopping centre and department store outlets as well as franchise operations. In the U.S., several dental franchise operations have been started in the last few years where the dentist-franchisee is provided with a fully equipped practice with assistance in the areas of management, marketing, volume purchasing, financial control, marketing research, and information.

"The experience factor is one of the key reasons for someone to consider buying a franchise," continues Rose. "You don't need to have had the experience of running your own business — the franchisor will usually provide you with all the necessary skills to operate the franchise."

The rate of failure is lower for franchises than for independent start-ups according to Rose. "There is less risk in the franchise operation because, as the franchise owner, you aren't completely on your own. The independent entrepreneur must investigate, analyze, and develop a concept from scratch. Starting a successful business requires a formula to make sure you get the necessary mix of the proper ingredients. For a new business, the possibility of showing a profit in the first year of operation is greater in a franchise operation," adds Rose.

Franchise chemistry

But not everyone has the right personal chemistry to be a franchisee, and neither does everyone have the ability to be an independent small business owner.

"Small business owners are usually greater risk takers than are franchisees," says Rose. "They are usually more aggressive, independent, and entrepreneurial in their outlook." Entrepreneurial types can become successful franchisees, but, they must be willing to work within the guidelines and structure already established.

If you are contemplating buying a franchise, however, you shouldn't proceed any differently than if you were buying an existing business.

You must be careful to investigate all the facts and be sure that you know exactly what it is you are buying. If sales estimates have been prepared by the franchisor, check them out. If a target market and potential customer base have been forecasted, do your own research to make sure the esti-

mates are realistic. Although it is in the franchisor's best interest to provide accurate information, it is still the franchisee's responsibility to verify the details.

"The franchisor generally provides estimates based on a typical franchise with similar market potential to the proposed franchise. There are no guarantees that the franchisee will immediately reach the targeted figures; they are simply guidelines for the franchisee to follow when analyzing the opportunity," says Rose. "The franchisee should have an accountant check any financial information and the contract between franchisor and franchisee should be read carefully and checked by a lawyer."

"Our association has established a code of ethics that each member must follow." This is to ensure that the image of the franchise industry isn't tarnished by unethical "fly by night" type of operations. Sometimes potential business owners can allow themselves to be misled by the promise of "get rich quick" schemes.

Rose explained the basic role of the Association of Canadian Franchisors: "We were established to set standards and promote ethical business practices of franchisors." Also, the association provides education and information services as well as representing the franchise industry at governmental levels. Regular discussion groups are organized to provide a forum for franchisors to discuss problems and ideas.

Member forums

"These forums have very positive results because, although all the members are franchisors, they are not really competitors. We have all types of businesses represented at these meetings, therefore, there is a free exchange of information, experience, and knowledge. Not all of our members are large national franchisors," says Rose, "we have different cate-

ries of membership and some of our members have less than three franchise units."

According to Rose, one of the most common areas of disagreement between franchisor and franchisee is in the area of termination. "The rights to termination are almost always spelled out in the contract and the potential franchisee should have a lawyer carefully review and explain the conditions. Generally, a franchisor can terminate the franchisee's contract for three reasons: operating outside the agreement, affecting the integrity of the franchise, and tarnishing the image of the franchise. But terminating a contract is always a last resort," adds Rose. "The franchisor wants the business to succeed as much as the franchisee. Generally, franchisors have inspectors who will try to correct any problems that may be developing in a particular franchise."

Buying a franchise is not a ticket to success. It requires the same determination and dedication to hard work as running an independent business. The difference is the franchisor, who assists by providing a proven product or service and training you in the daily operation of the franchise. Generally, the franchisor will also help you with any problems that may develop with the business. But you, as the franchisee, must provide the leadership and good management that is inherent in all successful small businesses.

If you are a franchisor wishing information about the Association or if you are a potential franchisee wanting to know if a particular franchisor follows the Association's code of ethics, you may contact them at the address below:

Association of Canadian Franchisors
44 Laird Drive
Toronto, Ontario
M4G 3T2

Franchise information available

For more information on franchising, Volume 3 of FBDB's "Minding Your Own Business" series deals with franchising and service businesses. The first chapter, **Buying A Franchise**, defines franchising and outlines what to examine when considering a franchise as a viable alternative to starting a business from scratch. An important checklist is provided that will allow you to judge whether you have satisfactorily investigated the franchise opportunity prior to purchase.

Each volume in this series (Volume 1, general small business management; Volume 2, retailing; Volume 3, franchise, restaurant and service businesses) is available at your local FBDB branch for a nominal charge of \$2.00 each.

Also available from the federal government are two seminar kits on franchising. One, which contains sources of information and helpful hints, is directed to the potential franchisee, while the other is oriented towards the prospective franchisor and outlines the pros and cons of franchising as a means of expanding your business.

Either of these franchising kits is available by contacting the following:

Departments of Industry, Trade and Commerce, and
Regional Economic Expansion
Office of Service Industries
6th Floor East FSEI
235 Queen Street
Ottawa, Ontario
K1A 0H5

"Small business needs to develop its capability to prepare marketing plans."

"There are many different interpretations of marketing," says Ron Findlater, CASE counsellor from Calgary North. "To some small business owners, marketing simply means selling; but, it is more than that. Although a marketing plan varies with the size of the business and type of products, it is essentially a document that sets business goals and action programs. The action programs, to achieve the established goals, include various strategies such as financing, pricing, distribution, and, of course, advertising and promotion."

"Each of these strategies must be closely related to the others, and once this concept of interdependence is understood, a viable marketing plan can be developed," adds Ron.

Master plan

"A good marketing plan can be used as a master plan for your business. It can be used to motivate staff and to inform bankers and suppliers. It should support the financial goals of your business and it should be an organized plan showing the past, present, and future of your business. An effective marketing plan often emerges after consultation with employees. It is also easier to implement your plan when employees are aware of your objectives."

In general, many small business owners recognize the need to develop their capability to prepare sound marketing plans. "Marketing needs information," says Ron, "and the business must have the capacity to generate it. A poorly organized business will not be able to provide the information as quickly as it is needed. A basic requirement is a monthly earnings statement, which allows you to plan accurately as well as providing the means to monitor your progress. The business budget is fundamental to your marketing plan. A careful review of last year's figures may expose areas where improvements could be made. Using these historical numbers, prepare a forecast for the coming year. Before you can develop a marketing plan, you need these tools."

Determine objectives

"In developing a marketing plan you must decide what you want to accomplish. Don't start by saying you need an advertising campaign. You must first determine your objectives, and then decide how to do it. This is a marketing plan: choosing what strate-

gies are required to achieve your objectives."

Determining what you want is not always the same as determining your needs. It is best to use a variety of sources when you are trying to analyze the needs of your business. "Sometimes a customer questionnaire will reveal potential areas for expansion or development," adds Ron. "Look beyond your immediate market and ask yourself if there are any other markets for your product and, if so, how can you reach them?" Check any statistics on your community, your product, your industry sector, or your customers. Good sources for this type of information are government agencies, trade associations, and advertising or marketing firms. Other invaluable sources are your salespeople, field agents, and distributors.

"After you have analyzed your customers' needs you should analyze your competition. Compare products and services, and find out what makes yours a little special."

"marketing means choosing the strategies required to achieve your objectives"

Most importantly, you must keep the marketing plan relevant to your enterprise. This means more than making sure that the proper image is promoted; you must ensure, for example, that your advertising campaign is a reflection of your marketing studies and your financial plans.

Support strategies

If you want to introduce a new product to the marketplace, Ron suggests five points to consider before you prepare a marketing plan.

"First, you must discuss methods of distribution. Is there an existing distribution network or does one have to be established? You may decide that you want to market the product directly to the end-user yourself. If you're using distributors, don't neglect them as sources of information. They may have some excellent opinions on the product's market potential

as well as some marketing suggestions."

"Once the distribution system has been established, it is necessary to determine what kind of support will be required. Each situation demands different promotional or advertising strategies. If you're selling your product through a distributor then you may want to have sales campaigns directed not only to distributors, but also to dealers and consumers."

"An advertising/promotion campaign can also focus on other facets of your business such as customer service and product quality. By making your advertising campaign part of an overall marketing plan," says Ron, "it will be organized so that your ads run at precisely the right time. An effective marketing plan establishes timetables and controls for the implementation of advertising and promotion."

Pricing and service

"Pricing is an extremely important strategy that may make or break a new

Don't wait until the end of your campaign to start your analysis. It is best to do it on a monthly basis, because, if you wait any longer, you will have lost the possibility of reacting to results; strengths and weaknesses may be revealed and you can alter your strategy accordingly. Monitor your progress regularly, respond immediately to any variations, and build upon each phase to achieve the most success.

"The marketplace is unforgiving," concludes Ron Findlater, CASE counsellor from Calgary North. "If you try to run a small business without any predetermined objectives, it will drag you all over the place; a well-organized marketing plan will provide you with the necessary direction."

CASE, Counselling Assistance to Small Enterprises, is a service offered to small businesses by the Federal Business Development Bank. The 1 600 counsellors on the CASE roster are all retired business people who have many years of experience to offer the small business owner. Counsellors are selected for a specific assignment based on their background and expertise to ensure the best service to the owner/manager.

CASE Help, a regular feature of Small Business News, offers the comments and advice of a CASE counsellor selected from one of the 43 CASE offices.

For more information on CASE Help for your business, contact your local FBDB branch or CASE office.

Small Business News, formerly a separate publication of FBDB Management Services, is now a regular supplement in **Profits**.

The objective of the "News" is to provide information and advice to small businesses across Canada. We value letters from our readers and we encourage your comments and suggestions which will assist us in continuing to meet your needs and expectations:

The Editor
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H3C 3C3

«Un bon programme de marketing peut servir de ligne directrice à l'entreprise.»

«Il existe bien des façons de concevoir le marketing», explique M. Ron Findlater, conseiller de C.A.S.E de Calgary Nord. «Certains chefs de petite entreprise ne font pas la différence entre le marketing et la vente; ce sont pourtant deux domaines distincts. Bien qu'un programme de marketing dépende de la taille de l'entreprise et de la nature des produits, il sert toujours à définir les objectifs de l'entreprise et à établir des plans d'action. Analysez les statistiques disponibles sur la collectivité que vous servez, sur vos produits, votre branche d'activité et qualité du produit. Coordonnez votre campagne publicitaire avec vos annonces paraîtront au moment opportun. Pour assurer l'efficacité du programme, prévoyez des échéanciers ainsi que des contrôles de vos activités de promotion et de publicité.»

«Ces diverses stratégies doivent être entièrement coordonnées, et la notion d'interdépendance doit être parfaitement comprise pour que le programme de marketing soit viable», ajoute M. Findlater.

Les lignes directrices

«Un bon programme de marketing peut servir de ligne directrice générale à l'entreprise: motivation du personnel, information de vos banquiers et de vos fournisseurs, par exemple. Il doit vous aider à atteindre vos objectifs financiers et donner un aperçu clair de vos activités passées, présentes et futures. Il est souvent bon de consulter votre personnel à ce sujet. Il vous sera plus facile de mettre en place un programme de marketing efficace si vos employés connaissent les objectifs à atteindre.»

En général, les chefs d'entreprise reconnaissent la nécessité de pouvoir mettre sur pied un bon programme de marketing. «Ce programme s'établit à partir de certaines données, et l'entreprise doit être capable de les produire. En cas de mauvaise gestion, l'entrepreneur ne pourra fournir les renseignements voulus dans les délais requis. Un état des résultats mensuels, permettant une planification précise et un contrôle de la situation, est absolument nécessaire. Un programme de marketing s'élabore à partir du budget de l'entreprise. Un examen attentif des résultats des exercices précédents peut vous permettre de déceler certains points faibles susceptibles d'être améliorés. À partir de ces données antérieures, établissez vos prévisions pour la prochaine année. Ces instruments vous sont indispensables.»

Déterminer les objectifs

«En préparant votre programme, vous devez vous fixer des objectifs. Ne vous méprenez pas: la campagne publicitaire n'est qu'un moyen, non un but. Vous devez établir vos stratégies en fonction des objectifs à atteindre.»

Le soutien nécessaire

Si vous désirez lancer un nouveau produit, vous devez, selon M. Findlater, tenir compte de cinq éléments.

«Vous devez tout d'abord étudier les méthodes de distribution. Existe-t-il déjà un réseau de distribution ou vous faut-il en créer un? Peut-être désirez-vous commercialiser directement votre produit sans passer par un intermédiaire. Si vous faites affaire avec des distributeurs, ne négligez ni leurs avis sur les possibilités offertes, ni leurs suggestions; leurs points de vue peuvent être extrêmement précieux.»

Le soutien nécessaire

Il ne suffit pas de promouvoir une bonne image de marque, par exemple, votre campagne de publicité doit être préparée en fonction des résultats de votre enquête de marketing et de vos projets financiers.

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«établir les stratégies en fonction des objectifs à atteindre»

Les prix et le service

«La politique d'établissement des prix est extrêmement importante. Le prix doit être raisonnable, mais ne doit pas être si bas que vous ne puissiez couvrir vos coûts. Vous devez procéder à une analyse minutieuse du marché pour fixer un prix raisonnable que le marché acceptera. Comparez les prix de vos concurrents et suivez l'évolution du marché. Calculez votre marge de profit, sans négliger la possibilité de rajuster vos prix pour attirer une nouvelle clientèle.»

«Enfin, dans le cadre de votre programme de marketing, le service après-vente et les garanties offertes pourraient vous aider à acquérir une part importante du marché.»

Suivre le déroulement

Une fois votre stratégie de marketing mise en œuvre, vous devez suivre le déroulement de votre programme. «Comparez votre part du marché avant (si vous la connaissez bien sûr) et après la mise en place de votre programme de marketing pour évaluer l'exactitude de vos prévisions. N'attendez pas la fin de votre campagne pour procéder à cette étude. Celle-ci peut vous permettre de déceler les points faibles susceptibles d'être améliorés. À partir de ces données antérieures, établissez vos prévisions pour la prochaine année. Ces instruments vous sont indispensables.»

«Un bon programme de marketing peut servir de ligne directrice à l'entreprise.»

ter des points forts et des points faibles et vous pourrez modifier votre stratégie en conséquence. Il est préférable de la faire chaque mois car, si vous attendez plus longtemps, vous ne pourrez pas réagir à temps. Contrôlez régulièrement vos résultats, apportez sans tarder les modifications nécessaires et consolidez votre position à chaque étape pour obtenir le plus de chances de réussite.»

«Le marché ne pardonne pas les erreurs», conclut M. Findlater, conseiller de C.A.S.E de Calgary Nord. «Si vous essayez de gérer une petite entreprise sans fixer d'objectifs, vous courez à votre perte. Un programme de marketing bien conçu vous mettra sur la bonne voie.»

Le service C.A.S.E, Consultation Au Service des Entreprises, est offert aux petites entreprises par la Banque fédérale de développement. Les 1 600 conseillers de C.A.S.E sont des gens d'affaires à la retraite qui peuvent faire profiter les petites entreprises de leurs nombreuses années d'expérience. Pour assurer la qualité de ce service, nous attribuons les mandats aux conseillers d'après leur formation et leur compétence.

À la rubrique «L'aide de C.A.S.E» de «Nouvelles de la petite entreprise», un conseiller de l'un des 43 bureaux de C.A.S.E fait part de son point de vue sur diverses questions et fournit des conseils. Pour plus de renseignements à ce sujet, veuillez communiquer avec la succursale de la BFD ou le bureau de C.A.S.E de votre région.

«Nouvelles», auparavant un bulletin distinct publié par les Services de gestion-conseil de la BFD, est maintenant un supplément régulier de Profits.

«Nouvelles» a pour objectif d'informer les petites entreprises canadiennes. Nous apprécions les lettres de nos lecteurs et nous vous encourageons à nous faire part de vos commentaires et suggestions. Le rédacteur en chef, C.P. 6021, Succursale A, Montréal (Québec) H3C 3C3

NOUVELLES DE LA PETITE ENTREPRISE

La franchise: un moyen de lancer une entreprise

Une publication des Services de gestion-conseil de la BFD

ÉTÉ 1983

Actuellement, plus de 25 000 petites entreprises du Canada sont des franchises. Les propriétaires de ces franchises, les franchiseurs, se sont associés avec un franchiseur, ce qui leur donne le droit de vendre un produit ou un service particulier, sur un territoire défini. On estime qu'il existe plus de 1 000 sociétés de franchisage au Canada et près des deux tiers appartiennent à des Canadiens.

Association des franchiseurs

Il n'est pas nécessaire d'être une grande entreprise pour pouvoir vendre des franchises ni d'être un entrepreneur hors pair pour en acheter une. «Les chefs d'entreprise décident de franchiser leur établissement pour franchise car le nouveau chef d'entreprise n'est pas laissé à lui-même. À l'opposé, l'entrepreneur indépendant doit effectuer ses propres recherches et établir une structure sur des bases totalement nouvelles. Le lancement d'une affaire n'est un succès que si tous les éléments nécessaires sont réunis adéquatement. Pour une nouvelle entreprise, la possibilité de dégager un bénéfice dès la première année d'exploitation est nettement supérieure s'il s'agit d'une franchise», ajoute M. Rose.

Selon M. Rose, le taux de faillite est beaucoup plus faible pour les franchises que pour les entreprises indépendantes. «Les risques sont nettement moindres avec le système de franchise car le nouveau chef d'entreprise n'est pas laissé à lui-même. À l'opposé, l'entrepreneur indépendant doit effectuer ses propres recherches et établir une structure sur des bases totalement nouvelles. Le lancement d'une affaire n'est un succès que si tous les éléments nécessaires sont réunis adéquatement. Pour une nouvelle entreprise, la possibilité de dégager un bénéfice dès la première année d'exploitation est nettement supérieure s'il s'agit d'une franchise», ajoute M. Rose.

L'option franchise

ser les achats.»

Même les professions libérales les plus traditionnelles envisagent maintenant la franchise comme un moyen efficace de réduire le risque lors du lancement d'une nouvelle entreprise. Par exemple, l'image des dentistes nord-américains évolue très rapidement. Cette profession commence à se pratiquer dans les centres commerciaux, les grands magasins et certains établissements en franchise. Aux États-Unis, plusieurs cabinets de soins dentaires ont été lancés en franchise au cours des dernières années; le franchisé bénéficie notamment d'un cabinet totalement équipé ainsi que de services d'appui en matière de

Les éléments nécessaires

«En règle générale, les propriétaires de petites entreprises prennent plus de risques que les propriétaires de franchises; ils sont plus dynamiques, indépendants et entrepreneurs dans leurs projets.» Les gens d'affaires du type entrepreneur peuvent faire de bons franchiseurs, mais ils doivent accepter de travailler selon les directives et la structure déjà établies par le franchiseur. Par exemple, l'image des dentistes nord-américains évolue très rapidement. Cette profession commence à se pratiquer dans les centres commerciaux, les grands magasins et certains établissements en franchise. Aux États-Unis, plusieurs cabinets de soins dentaires ont été lancés en franchise au cours des dernières années; le franchisé bénéficie notamment d'un cabinet totalement équipé ainsi que de services d'appui en matière de

Si vous envisagez l'achat d'une entreprise en exploitation, même approche que pour l'achat d'une entreprise en exploitation. Vous devez examiner soigneusement tous les faits qui vous sont soumis et savoir exactement ce que vous achetez. Si les prévisions de ventes ont été préparées par le franchiseur, vous devez les vérifier. Si ces

prévisions s'appuient sur des marchés cibles et une clientèle potentielle, procédez à vos propres recherches pour vous assurer que les données sont réalistes. Bien qu'il soit dans l'intérêt du franchiseur de fournir des renseignements exacts, c'est au franchiseur de garantir la responsabilité de vérifier les détails.

«Le plus souvent, le franchiseur fournit des prévisions basées sur une franchise type disposant d'un marché potentiel semblable à celui de la franchise proposée. Aucune garantie n'est donnée que le franchiseur atteindra immédiatement les résultats prévus. Ces chiffres ne sont donnés qu'à titre indicatif pour aider le franchiseur à poursuivre son analyse», précise M. Rose. Le franchiseur doit demander à un comptable de vérifier les renseignements financiers, et le contrat entre franchiseur et franchiseur doit être soigneusement examiné par un avocat.

Des discussions de groupe

M. Rose a expliqué le rôle fondamental de l'Association canadienne des franchiseurs: «Nous avons créé l'association pour fixer des normes et promouvoir les principes d'éthique commerciale des franchiseurs». L'association fournit de plus des services

«Ces réunions donnent des résultats très positifs car tous les membres sont des franchiseurs sans être de véritables concurrents. Lors de telles réunions, tous les secteurs d'activités

Pour de plus amples renseignements sur le franchisage, le volume 3 de la série «Votre affaire, c'est notre affaire», publié par la BFD, traite du franchisage et des entreprises de services. Le premier chapitre, **Achat d'une franchise**, définit le franchisage et souligne les points à examiner lorsqu'on considère l'achat d'une franchise comme solution de rechange viable au lancement d'une entreprise. Une liste de vérification importante est fournie et permet à l'acheteur éventuel de juger s'il a examiné et analysé toutes les possibilités qu'offre la franchise envisagée.

Chaque volume de cette série (volume 1, gestion générale de la petite entreprise; volume 2, commerce de détail; volume 3, franchises, restaurants et entreprises de services) est disponible à la sus-

Information sur le franchisage

Le gouvernement fédéral offre également deux cahiers de semi-

naïres sur le franchisage. L'un s'adresse aux franchiseurs potentiels; il donne des sources de renseignements et des conseils; l'autre est destiné au franchiseur potentiel; il décrit les avantages et les inconvénients de développer une entreprise. Pour se procurer ces documents, écrire à l'adresse suivante:

Industrie et Commerce/Expansion économique régionale Direction générale des industries de service
235, rue Queen
Ottawa (Ontario)
K1A 0H5

Association canadienne des franchiseurs
44, Laird Drive
Toronto (Ontario)
M4G 3T2

Si vous êtes franchiseur et désirez des renseignements sur l'association, ou si vous envisagez d'acheter une franchise et voulez savoir si le franchisage est une bonne idée, vous pouvez écrire à l'association, vous pouvez écrire à l'adresse suivante:

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L'achat d'une franchise n'est pas la garantie du succès. L'exploitation réussie d'une franchise dépend de la franchise elle-même, de la franchiseur, de la franchiseur et de la franchiseur. C'est le franchiseur qui fait la différence en aidant le franchiseur à résoudre tout problème. En général, le franchiseur aide le franchiseur à résoudre tout problème. En général, le franchiseur aide le franchiseur à résoudre tout problème.

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No 7: Les télécommunications et Telidon

Depuis le début de cette série d'articles, en janvier 1982, la diffusion de l'informatique, même dans la PME, a été phénoménale. Il est difficile aujourd'hui de rencontrer un groupe d'hommes d'affaires ou de professionnels, soit au golf, au lunch, ou dans une soirée, où l'on ne trouve pas au moins un propriétaire d'ordinateur personnel.

De fait, la plupart des cadres des grandes entreprises utilisent directement ou indirectement, soit un terminal relié à un ordinateur de grande puissance, soit un micro ordinateur, soit un appareil de traitement de textes.

Aussi le mouvement de la active et chacun des terminaux peut être situé dans un endroit différent. S'ils se trouvent dans un seul immeuble, les terminaux seront probablement reliés à l'ordinateur central par un simple câble coaxial. Pour les lieux éloignés, la communication passera par l'un des réseaux de services publics.

Le cas le plus simple de télécommunications est celui où l'on utilise la communication interne ou interurbaine conventionnelle. La procédure exacte du tarif sont d'ailleurs exactement les mêmes. Les principales entreprises canadiennes de télécommunications offrent aussi d'autres types de services comme par exemple, à Bell Canada, le réseau DATAROUTE et le système DATA-PAC.

DATAROUTE et DATAPAC
Le réseau DATAROUTE est entièrement consacré aux transmissions informatiques et le client paie des frais fixes mensuels, calculés en fonction du nombre de postes reliés, de la vitesse de transmission du réseau ainsi que des distances parcourues.

Le système DATAPAC est plus sophistiqué et consiste en un système informatisé où chaque paquet d'information (256 caractères) possède un code de séquence et l'adresse du destinataire; il est acheminé vers celui-ci indépendamment du reste du document dont il fait partie.

Ce système permet évidemment beaucoup plus de flexibilité dans le choix des parcours. Aussi, le client paie principalement en fonction de la quantité de communications réellement effectuées (nombre de caractères et distances parcourues). Au total, les frais fixes de DATAPAC sont minimes et les fonctionnent simultanément et, dans le cas de machines de plus grande puissance, de faire plus grande puissance, de faire plus grande puissance, de faire plus grande puissance.

Les mini-ordinateurs
Les mini-ordinateurs permettent de travailler sur plusieurs écrans en même temps et, dans le cas de machines de plus grande puissance, de faire plus grande puissance, de faire plus grande puissance, de faire plus grande puissance.

elle avait été mise en mémoire localement. L'ordinateur traite cette information comme si elle avait été mise en mémoire localement. L'ordinateur traite cette information comme si elle avait été mise en mémoire localement.

Toutefois, des données de Statistique Canada sur les marchés canadiens sont déjà de PME.

Le choix
Toute PME qui envisage l'informatisation sera bien avisée de songer sérieusement à ses besoins présents et futurs, tant en ce qui concerne le nombre d'écrans en fonctionnement simultané, la multi-programmation (plusieurs applications à la fois) et les télécommunications. Ces éléments peuvent s'avérer des facteurs clés dans le choix d'un système informatique.

Pour une société plus importante ou plus avancée dans le domaine, des questions similaires se posent quant à l'intégration de ses terminaux communication, des questions similaires se posent quant à l'intégration de ses terminaux communication, des questions similaires se posent quant à l'intégration de ses terminaux communication.

TELIDON
Cette trop brève description de la technologie de télécommunication ne serait pas complète sans une allusion au projet TELIDON.

TELIDON est le nom générique d'un protocole de télécommunications pour les données graphiques qui a été mis au point par des techniciens du gouvernement canadien et adopté comme système standard en Amérique du Nord. Il s'agit du système «videotex», le plus avancé au monde.

Ce produit a amené l'établissement d'une base de données importante qui est accessible, par télécommunications, au moyen de terminaux spéciaux pouvant être installés partout au Canada. Grâce à un mini clavier qui ressemble à une calculatrice, les usagers peuvent recevoir, sur un récepteur de télé-couleur modifié, une vaste gamme de renseignements sous forme de textes et graphiques.

NOVATEX
PROFIT\$ a rencontré David Johansen et Tony Zeiloun de Téléglobe Canada. Téléglobe s'est lancé dans la diffusion de NOVATEX, un service basé sur TELIDON, qui s'adresse aux hommes d'affaires.

VATEX contiendra éventuellement trois ensembles distincts: la banque de données NOVATEX, un service basé sur TELIDON, qui s'adresse aux hommes d'affaires.

ment trois ensembles distincts: la banque de données NOVATEX, un service basé sur TELIDON, qui s'adresse aux hommes d'affaires.



D'abord une masse d'information générale accessible à tous; par exemple, des données sur les programmes gouvernementaux même internationale, ce qui devrait intéresser les exportateurs. Présentement NOVA-FAIR donne à l'homme d'affaires l'information financière disponible dans son journal quotidien.

D'intérêt marginal pour la PME
Pour l'instant, les services d'information issus de la technologie TELIDON ne représentent qu'un intérêt marginal pour la PME. Toutefois, ce potentiel du système NOVA-FAIR dans le domaine de la formation du personnel.

Cet article termine un premier tour d'horizon du monde de l'informatique en ce qui concerne la PME. Dans les prochains numéros, nous traiterons, avec un autre auteur et de façon plus détaillée, la plupart des facteurs et décisions clés auxquels sont confrontés les propriétaires et dirigeants de PME.

Les séminaires de gestion de la BFD

financiers. Vous apprendrez également à faire une conciliation bancaire.

En somme, une journée bien remplie! Au cours du séminaire, vous recevrez un livret que vous pourrez utiliser dans votre propre entreprise. N'oubliez pas aussi notre service après-séminaire gratuit.

Pour tout renseignement sur notre programme de séminaires, veuillez communiquer avec l'agent de gestion-conseil de la BFD la plus proche.

Le budget fédéral et la petite entreprise

Le contexte

Le budget fédéral du 19 avril 1983 attachait une telle importance aux besoins et au potentiel de la petite entreprise que son thème central avait très bien pu être «Aider la petite entreprise à stimuler la relance de l'économie canadienne».

Le ministre des Finances a défini le rôle spécial qu'il entrevoyait pour la petite entreprise en ces termes:

«J'ai tenu particulièrement compte dans la préparation de ce budget des difficultés financières que les petites entreprises canadiennes doivent surmonter pour contribuer à la relance. Les petites entreprises sont l'un des éléments les plus dynamiques et les plus innovateurs du secteur privé. La plupart d'entre elles ont réussi à traverser la récession d'une manière qui témoigne de l'abnégation et de l'esprit d'entreprise des Canadiens».

S'étaient répercutés sur le secteur privé.

Ce recul important de l'inflation a entraîné une baisse des taux d'intérêt qui, à son tour, a d'intérêt en adoptant des programmes de dépenses massives.

Le budget, un facteur de confiance

Le dernier budget fédéral visait avant tout à renforcer la nouvelle confiance des consommateurs et des hommes d'affaires en créant un climat propice au développement et à l'expansion des entreprises; pour ce faire, le gouvernement prendrait des mesures transitoires en attendant que la reprise du secteur privé soit pleinement engagée, l'an prochain.

Le milieu financier a réagi très favorablement à ce budget en avançant en provoquant une poussée boursière inaccoutumée.

La PME, créatrice d'emplois

Puisque la création d'emplois est devenue la priorité absolue, on reconnaît explicitement, comme peut-être jamais par le passé, la capacité de la petite entreprise de contribuer à la relance de l'économie canadienne. Comme il existe des centaines de milliers de petites entreprises indépendantes au Canada, la création d'un seul emploi par entreprises représenterait une hausse vraiment significative du niveau de l'emploi.

On ne peut compter sur la participation directe des grandes entreprises à la création d'emplois puisque bon nombre d'entre elles éprouvent de graves problèmes organisationnels et, en l'absence de programmes sociaux et économiques, en l'absence de programmes sociaux et économiques, en l'absence de programmes sociaux et économiques.

La création d'emplois permanents appartient au secteur privé

Fait révélateur, le budget a souligné que, même si le secteur public pouvait aider à très court terme en créant des emplois temporaires, il appartenait avant tout au secteur privé de créer des emplois permanents. On s'est certes rendu compte qu'un déficit budgétaire avant tout au secteur privé de créer des emplois permanents.

Le budget marquant en quelque sorte un grand tournant au Canada que dans les autres pays, le problème continu de l'inflation et la hausse des prix des aliments.

Une production agricole extraordinaire avait ralenti la hausse des prix des aliments.

En outre, le fardeau des pressions salariales s'était considérablement allégé du fait que les programmes gouvernementaux de restriction du secteur public

ont été un symposium national sur le sujet.

On étend les activités des études fiscales à accablées. En particulier, les taux de chômage avaient atteint les sommets. En particulier, les taux de chômage avaient atteint les sommets. En particulier, les taux de chômage avaient atteint les sommets.

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(Suite de la première page)

Les traits saillants

4. Recherche et développement

Le budget propose, pour les petites sociétés, un taux de crédit d'impôt à l'investissement de 35% et un taux de 20% pour les autres sociétés.

La BFD se voit confier une nouvelle activité d'investissement qui lui permettra de satisfaire aux besoins en capital-ter un avant-projet détaillé à ce sujet le plus tôt possible après avoir consulté les parties intéressées.

5. Le développement des marchés d'exportation

Au cours des quatre prochaines années, une somme supplémentaire de 20 millions \$ sera affectée au Programme de développement des marchés d'exportation (PDME) pour inciter les petites et les moyennes entreprises à s'y lancer dans l'exportation à s'y lancer de réduire par le fait même la papérasse et les coûts d'ad-tribunes. Il a signalé avoir volontairement évité d'apporter des modifications complexes dans son dernier budget. Il s'est au contraire efforcé de rendre les stimulants fiscaux existants plus efficaces, plutôt que d'en proposer de nouveaux.

Toutefois, parce qu'on reconnaît que le régime fiscal actuel est loin d'être «simple», le ministre des Finances a annoncé que l'Association canadienne des Finances a accepté sa proposition de tenir un symposium national sur le sujet.

7. La simplification du régime fiscal

Le ministre des Finances a signalé que les associations de petites entreprises l'ont pressé de simplifier le régime fiscal et de réduire par le fait même la papérasse et les coûts d'ad-tribunes. Il a signalé avoir volontairement évité d'apporter des modifications complexes dans son dernier budget. Il s'est au contraire efforcé de rendre les stimulants fiscaux existants plus efficaces, plutôt que d'en proposer de nouveaux.

6. La Banque fédérale de développement

Pour venir en aide aux petites entreprises, on reconnaît que d'autres mesures directes, ainsi que des stimulants fiscaux, s'imposent. On élargit donc le mandat de la Banque fédérale de développement pour lui permettre de mieux reconnaître que le régime fiscal actuel est loin d'être «simple», le ministre des Finances a annoncé que l'Association canadienne des Finances a accepté sa proposition de tenir un symposium national sur le sujet.

3. Recherche et développement

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2. Recherche et développement

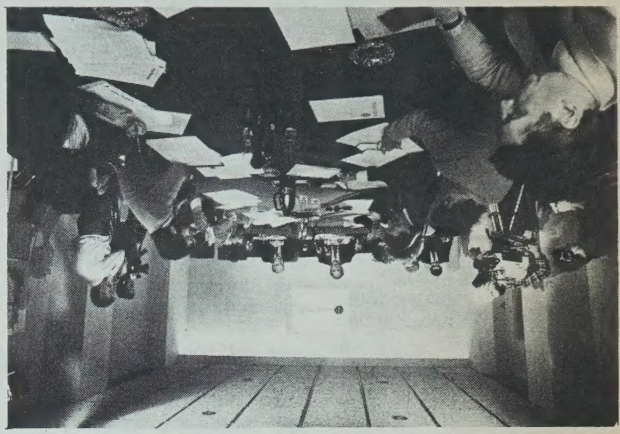
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L'Honorable William Rompkey, ministre d'état (petites entreprises et tourisme) et Guy Lavigne, président de la Banque fédérale de développement, donnent une conférence de presse sur le nouveau mandat de la Banque.

Le nouveau mandat de la BFD

Le dilemme: productivité ou emploi

Existe-t-il de meilleures façons d'aider l'entreprise? Voilà une question que la Banque fédérale de développement se pose constamment. Poser la question, c'est être prêt à réviser au besoin le mandat de l'institution — le développement de l'entreprise — mandat dont l'importance ne peut être mise en doute.

Le discours du ministre des finances sur le budget et celui du ministre d'état (petites entreprises et tourisme) annonçaient, l'un après l'autre, un nouveau mandat pour la BFD. Ce nouveau mandat consiste en trois points principaux:

- 1) Activités accrues de participation au capital-action des entreprises à croissance rapide;
- 2) Assistance aux entreprises dans la présentation de leurs propositions et la recherche d'un financement qui réponde à leurs besoins;
- 3) Télé-informatisation de l'information nécessaire à la petite entreprise, y compris les programmes d'aide gouvernementale.

Ces nouvelles préoccupations s'ajoutent au rôle traditionnel de la Banque dans les domaines du financement, de la consultation, de la formation et de l'information.

En facilitant la recherche de sources de fonds et la préparation d'un dossier appuyant la demande du client, le gouvernement et la Banque n'ont pas voulu se substituer au secteur privé, mais plutôt s'assurer que les entreprises pourront bénéficier de toutes les sources de financement offertes par le secteur privé.

Avec un plus grand choix à sa disposition, l'entreprise sera mieux servie. En se mêlant davantage aux milieux financiers, la BFD devra garder une grande souplesse et s'adapter à l'évolution des tendances. Cette adaptation, la BFD l'a déjà faite en demandant leur privé, un taux d'intérêt de seulement 1/2% à 1% supérieur à celui du secteur privé, qu'elle doit compléter et non concurrencer.

D'autre part, la Banque doit jouer un rôle de développement qui l'oblige à investir dans les entreprises à fort taux de croissance. Elle le fera la plupart du temps en complétant les efforts du secteur privé, investissant souvent de concert avec les souscripteurs intéressés ou s'abstenant tout simplement pour laisser la place à ces derniers.

Les services de gestion-conseil se développent, à l'avenir, avec de l'information de pointe susceptible d'orienter leurs programmes de consultation et de guider les spécialistes de la petite entreprise dans l'emploi de ceux-ci. L'implantation de la télé-informatique dans les services d'information représente un nouveau départ pour les services de gestion-conseil.

Avec son nouveau mandat, La Banque poursuit donc un double objectif: servir de levier et de catalyseur.

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La faible productivité des industries canadiennes, comparée à celle d'autres pays industrialisés, les rend plus vulnérables à la concurrence des marchés mondiaux. D'où les fortes pressions pour que ces industries améliorent leur productivité. Parallèlement, en raison du taux de chômage actuel (plus de 10%), des pressions s'exercent de plus en plus sur le secteur privé pour qu'il crée plus d'emplois.

Pour les industries productrices de biens, ces objectifs sont incompatibles à court terme.

La mesure technique la plus courante de la productivité est la "productivité du travail", c.-à-d. la quantité de production réelle par unité de travail (p. ex., la production par heure de travail).

Tous les rapports indiquent que, depuis 20 ans, les industries manufacturières canadiennes se sont laissées distancer par leurs principaux concurrents mondiaux sur le plan de la productivité. Le tableau qui suit fait état de cette situation.

Le Japon: chef de file

La productivité, au Japon, s'est accrue à un taux annuel moyen de 10,5% durant les années 60 et de 7,1% durant les années 70. En comparaison, au Canada, elle n'a augmenté que de 2,5% par année au cours des années 70, mais ce taux était légèrement supérieur à celui des E.U. Cela explique la présence accrue des fabricants japonais sur les marchés mondiaux et nord-américains.

La perte de vitesse en termes d'incidence

La productivité au Canada baisse depuis déjà trop longtemps. Si aucune mesure n'est prise, les industries manufacturières risquent de voir la concurrence étrangère réduire davantage leur part des marchés. Il y aura alors une demande croissante de mesures protectionnistes. Or, le protectionnisme est une politique myope qui engendre une diminution du niveau de vie: les consommateurs doivent payer davantage pour les biens protégés.

Le besoin d'investissements

Pour accroître la productivité, il faudrait améliorer l'efficacité des usines canadiennes.

Pour ce, les entreprises doivent acheter de l'équipement qui leur permettra à long terme de réduire les coûts de production. Les nouvelles techniques utilisées à l'étranger devraient être adoptées à une plus grande échelle au Canada.

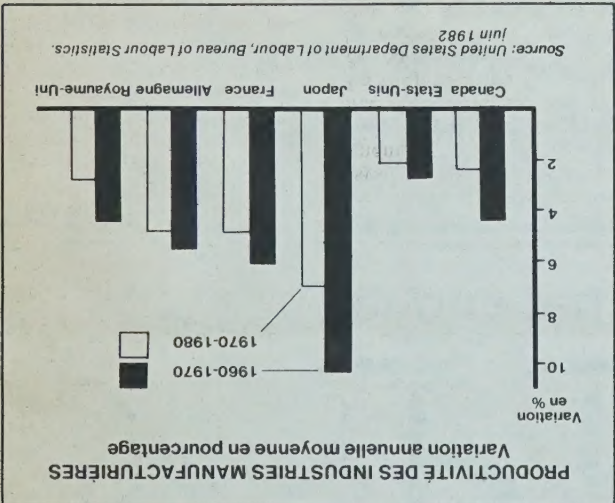
Cette solution est évidente: plus facile à proposer qu'à mettre en pratique, vu la capacité de production actuelle du Canada, d'où une expansion de certaines entreprises, qui entraînera à son tour la création d'emplois supplémentaires dans d'autres secteurs d'activité (effet multiplicateur). Il s'agit toutefois d'effets à long terme.

Privation à court terme pour une amélioration à long terme?

Pour le Canada, l'alternative économique est la suivante: investir massivement dans les techniques nouvelles et l'équipement ou maintenir le statu quo.

La première solution occasionnerait des coûts à court terme sous forme de pertes d'emplois et de baisses des profits (les investissements devant être financés en partie au moyen des bénéfices non réalisés). Mais elle améliorerait le rendement économique à long terme.

Les auteurs du rapport





La petite entreprise est notre affaire

Banque fédérale de développement

Eti 1983
Vol. 3, No 1

Profits

Prêts
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CASE
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à l'intérieur
DE LA PETITE
ENTREPRISE

Le budget fédéral et la petite entreprise Les traits saillants

Reconnaissant la vulnérabilité de la petite entreprise et sa capacité de créer des emplois, le budget prévoit y accorder un traitement de faveur au moyen de diverses mesures, dont les suivantes:

1. Le crédit d'impôt spécial lance des investissements

Les crédits d'impôt à l'in-

vestissement incitent les en-

treprises à investir davantage

dans de l'outillage et du maie-

riel de production. Les entre-

prises dont les bénéfices ne

permettent pas d'utiliser com-

plètement leur crédit pour ré-

duire l'impôt fédéral pourront

désormais profiter du fait

qu'une partie du crédit

d'impôt à l'investissement

acquis au cours des trois pro-

chaines années sera rembour-

sée directement en argent.

Cette mesure temporaire

permettra d'affecter 400 mil-

lions \$ à l'augmentation des

fonds autoengénérés des entre-

prises et à la réduction des

fraux liés aux investisse-

ments durant ces trois ans.

Le budget contient des dis-

positions spéciales à l'inten-

tion des petites sociétés, des

agriculteurs et d'autres entre-

prises non constituées en so-

cité, qui auront droit à un

remboursement de 40% de

leurs crédits d'impôt à l'inves-

tissement, par rapport à seule-

ment 20% pour les grandes

entreprises pouvaient être re-

portées sur l'exercice précé-

dent et sur les cinq exercices

suyants afin de réduire le

revenu imposable. Le budget

permet maintenant de repor-

ter les pertes sur les trois

années suivantes. Le report

sur les trois années anté-

rieures entre en vigueur im-

médiatement pour les petites

entreprises. Pour les grandes

entreprises, l'extension de la

période de report sur les

années antérieures se fera sur

deux années.

Cette mesure accroîtra les

fonds autoengénérés des entre-

prises durant la première

phase de la relance. A plus

long terme, ces mesures ga-

La réaction au budget

Dans l'ensemble, les représentants de la petite entre-

prise ont réagi de façon très favorable au budget. Les

porte-parole des associations de petites entreprises ont af-

firmé avoir l'impression que le gouvernement fédéral

prétait enfin une oreille attentive à leurs besoins et que la

plupart des stimulants du budget étaient conformes ou

identiques à leurs propres recommandations.

Tout compte fait, les diverses organisations qui repré-

sentent la petite entreprise adressaient le même message

au gouvernement: si le gouvernement fédéral a comme

priorité absolue de lutter contre le chômage, il doit adop-

ter une loi pour stimuler le secteur de la petite entreprise.

C'est là le défi qui semble avoir été relevé dans le budget.

3. Le Régime de placements en titres indexés

Le budget propose de créer

un nouveau régime exemp-

gains en capital attribuable à

l'inflation, réalisés sur les ac-

tions ordinaires cotées de

compagnies canadiennes. Le

changement entrera en vi-

gueur le 1er octobre 1983,

après consultation avec le sec-

teur privé.

Sans viser expressément à

aider la très petite entreprise,

ce régime aidera sûrement les

entreprises moyennes en inci-

tant les Canadiens à investir

une plus grande partie de

leurs épargnes en actions or-

dinaires de compagnies cana-

diennes. Le régime favorisera

le financement par actions

plutôt que par titres de

créance.

(suite à la page 3)

A l'intérieur

VERI

A DÉTACHER ET CONSER-

mande de crédit bancaire.

Comment préparer sa de-

mande de crédit que je demande

2. Le crédit que je demande

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Quand et comment faire

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